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Authors Meet Critics

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Chapters: 'Introduction' (pp. 1–9), 'The Globalization of Redlining?' (pp. 181–98) and selected passages.

Book: *Place, Exclusion and Mortgage Markets* (2011, Studies in Urban and Social Change, Blackwell Publishing Ltd, Oxford; Malden, MA)

Participants

Anirban, Adhya

Balakrishnan, Sai

BouAkar, Hiba

Cage, Caroline

Chatzi, Venetia

Colini, Laura

Herring, Christopher

Karaliotas, Lazaros

Labbé, Danielle

Lombard, Melanie

Nwachi Christy

Schrader, Stuart

Stefanovska, Jasna

Uffer, Sabina

Van Gent, Wouter

Wang, Jun

Moderators

Yuri Kazepov

Giovanni Torrisi

<Torrise, Giovanni> Let's wait a few more minutes for everyone to arrive before beginning our online discussion with Manuel Aalbers about his new book: *Place, Exclusion, and Mortgage Markets...*

Very well, we've allowed 15 minutes for everybody to log in, let's begin our session now. I will immediately give the floor to Manuel, so that he can briefly introduce himself before receiving your critiques of his work. In the meantime, can the participants please begin to post their questions. Thanks.

Please Manuel. The floor is yours.

<Aalbers, Manuel> Welcome everyone! Thanks, Giovanni. I'm an assistant professor of Human Geography and Urban Planning at the University of Amsterdam, but right now I'm a guest researcher at City University of New York. I also work on other 'urban' issues, such as gentrification, safety/security, housing privatization, etc.

Right now I'm doing research into mortgage securitization in NYC, interviewing employees and former employees of investment banks and credit rating agencies and you have all been able to read about one of my main topics: redlining.

Anything else you'd like to know?

<Torrise, Giovanni> If we feel we need to know more, we'll ask you. For the timebeing, it is perfectly fine. This is an interdisciplinary group, with sociologists, geographers and urban planners.

Anirban Adhya will break the ice with the first question.

<Anirban, Adhya> In your book, you mention David Harvey's notion of 'spatial fix' as a framework for the globalization of redlining; would you also consider that the phenomenon of redlining has had an immense effect on the provision of public goods as well? A case in point could be the variance in quality of public schools in the United States across cities. Though public education theoretically is supposed to be equal, the quality of education, success of schools, and infrastructure vary widely depending on the state of the city. In the United States, the state of a city (or the local government) is integrated with the local tax base, which predominantly comes from the demography of housing. Therefore, does a socio-spatial phenomenon like redlining influence multiple institutions across multiple scales?

<Aalbers, Manuel> The short answer is: yes, it has an effect. The most direct effect is indeed through the tax system, although that would depend a lot on city size. In some parts of the US the municipalities are very small and sometimes not much bigger than a neighborhood. In that case the tax base could easily be hurt by redlining. In other cases, where the municipalities are bigger and redlined neighborhoods exist alongside wealthy neighborhoods this effect should be less direct.

Of course, there is also another thing at stake: neighborhoods that are redlined by mortgage lenders may also be redlined or excluded in other ways by both public and private institutions. In one of the other chapters, I describe such processes of multiple exclusion and

how they feed on each other. A clear example of this is service exclusion or supermarket exclusion. Some areas may be redlined by supermarket chains resulting in 'food deserts', others may be 'sort of redlined' by the police, by health workers, or by all kinds of other public and semi-public institutions. Of course that does not necessarily happen in mortgage-redlined areas, but often the different dimensions of exclusion occur together, making exclusion matter more than if it were only mortgages, or only supermarkets, etc.

<Torrise, Giovanni> Thanks Manuel. That is very interesting indeed. Adhya, would you like to comment on that?

<Anirban, Adhya> Nothing further. You addressed my question and interest very well. Thank you.

<Torrise, Giovanni> Very good. Let us continue with Caroline Cage's question.

<Cage, Caroline> You discuss how regulation of housing markets should be more context specific. To what degree do you think it is possible to take into account the specific contexts of the individual, neighborhood, city, country in regulation? Should there be different approaches or levels of regulation at each scale?

<Aalbers, Manuel> That's a difficult one. I think I meant to say something along these lines... There should be different forms of regulation on different levels. Some things might be better done at the city level than at the national level, some things, like mortgage-backed securities, would ideally be regulated at a global level. I didn't intend to write that regulation in city A should be different from city B, but of course regulation is, almost by definition, different in different countries. Countries have different legal traditions and of course context also matters there. The US had the Civil Rights Movement which resulted in a lot of regulation, most of it for the better (even though a lot of those acts are very poorly policed).

I'm not sure if this answers your question though. Any follow-up questions?

<Torrise, Giovanni> Caroline, please go ahead, you can interact directly in the main window.

<Cage, Caroline> Thank you I think that has answered my question really. I guess I found it interesting that even where there are citywide policies, there is still sometimes redlining within neighborhoods, and I was wondering how far regulation can go in terms of addressing these inequalities at the local level.

<Aalbers, Manuel> Ah, okay. The mortgage lenders of course work in a different way across space from that of government institutions. Governments will often try to flatten the regulatory landscape across their jurisdiction (thereby often adding new layers rather than eliminating old ones), while lenders of course look at other things, such as the geographical differences in profit and risk. Regulation is something that both enables and constrains mortgage lending, so if they consider risk to be too high in a specific area or if they are simply discriminating, they may not care much about regulation. Indeed, they are part of the creation of inequalities at the local

level and one of the reasons such inequalities persist despite the regulation being the same in those areas as elsewhere.

<Cage, Caroline> I guess then it comes to, as you outlined in your book, exposing those practices so that they are forced to change?

<Aalbers, Manuel> Indeed. Exposing redlining is a first step, regulation is a second step and then someone needs to see if lenders live up to the rules. In the US they have paid a lot of attention to the first two, but have lacked taking action on the third; in the Netherlands and Italy, even the first step is taken very minimally, which is exactly what my study tries to contribute to.

<Torrise, Giovanni> Thanks to you both for the interesting interchange of views. Danielle Labbè:

<Labbé, Danielle> This was very interesting reading for someone like me, who does not know much about the role that financial institutions play in shaping places. Thanks for a clear and interesting introduction to the topic. I have two questions for you which I will pose separately. My first question relates to the responses of communities that are redlined. Based on your research, did you find that residents of redlined or yellowlined zones are aware of the exclusion (or constraints) of their neighborhood from credit? If so, did you come across cases where targeted people came together to try to fight/change this situation? In other words, does redlining give rise to a collective action movement of any type and if so, what form does it take? And, in that case, to whom did the communities address their complaints?

<Aalbers, Manuel> That's an interesting question. The answer is very diverse because the experiences are very diverse. In the US chapter of the book, I discuss the community response at great length, building on the work of many American sociologists, geographers, planners and political scientists.

The book *From Redlining to Reinvestment: Community Responses to Urban Disinvestment*, edited by Gregory Squires (1992) is probably the best source on this for the US. It's an edited volume and the different chapters show the experiences in different cities. One thing is that if redlining is practiced by all lenders and if it is persistent, local residents will often organize and fight back, and they have sometimes been successful in countering redlining. In the Chicago neighborhood Back of the Yards, for example, neighborhood residents were able to successfully fight the redlining of the neighborhood by threatening to withdraw their savings from the banks if they continued their redlining practices. But another reaction to abstract space dynamics in social space is the acceptance of the new situation, either passively or actively, e.g. by 'voting with your feet', i.e. moving out of the neighborhood.

Also, on many occasions small battles were won, but the bigger battles were lost. I mean that lenders often promised to do better when confronted with the evidence of redlining, but the long-term effects have often not been great as lenders often started practicing other forms of exclusion. One is cherry-picking. Another is subprime and predatory lending, which exploits local residents.

The situation has been different in the Netherlands and Italy. In Italy, there is almost no

evidence of 'full-blown redlining': yes, some lenders redline, but the geographical policies of the lenders are remarkably different; as a result there is almost no neighborhood that is excluded by all lenders, therefore the impact of redlining is much more limited. In the Netherlands redlining has popped up, disappeared, reappeared, changed form, etc. This makes it hard for residents to keep up with what is happening, so in the Netherlands there has been relatively little community resistance, but there has been resistance from real estate brokers (who have problems selling houses) and also people in local government. Some of these people might also want to use my research in showing the existence of redlining, which would also ensure the research would have some impact on what's happening.

<Labbé, Danielle> Thanks Manuel. I do agree that your work is part of the 'resistance', in that it exposes and explains redlining practices. It should hopefully become a tool for communities and planners.

<Aalbers, Manuel> Thanks.

<Torrise, Giovanni> Danielle, did Manuel answer your question?

<Labbé, Danielle> My question was answered and well. Thanks.

<Torrise, Giovanni> While we were reading Manuel's response, many more questions appeared. Let's introduce Stuart Schrader:

<Schrader, Stuart> In the effort to demonstrate that redlining is more insidious, pervasive, multifaceted, multiscalar, and non-US than we have previously thought, you are relying on the concept of place which interacts with race but is not synonymous with it. You say that race and place are so intertwined that it is difficult to disentangle them empirically. This leads to one question that you might say comes out of the tradition of whiteness studies — and forgive me because I have not read the whole work — can we use the theory presented to understand the so-called 'positive' effects of this entanglement for those who benefit, i.e. the inclusion (not 'exclusion') in the markets and the provision of services that white people receive in areas that are 'greenlined'? Would it not be useful to demonstrate that in fact inclusion is not neutral, and thus should not be considered a mere baseline, as well as that exclusion is pernicious?

<Aalbers, Manuel> The short answer is: yes, we could. In the US context, where redlining has happened for so long and its impacts have been so deep, this argument could easily be made and several, mostly African-American, scholars have made similar arguments. One thing they show is that if you compare a white person and a black person with the same education and income level, the white person on average will still become richer, because her/his property will increase in value more, on average, not only because of redlining, but also because of other processes that will favor white neighborhoods over black neighborhoods. So whiteness is definitely a factor of privilege here.

Another way in which inclusion 'helps' some people is in a way similar to that described by Herbert Gans in his famous essay 'The Uses of Poverty' (also published as 'The Positive

Functions of Poverty'). Part of his argument is that exclusion is good for the included because they have something to look down on, something to make them feel that they did better and that the others deserved their exclusion. Of course, exclusion can also help to depress land values and create a 'rent gap', which brings us to Neil Smith's rent gap theory. In that case exclusion can be used to basically take equity from the poor and transfer it to either the rich and middle classes or to developers who can 'put an area on the map' and gentrify it.

In the Netherlands and Italy the situation, again, is different, in part because redlining has been not around for that long and has been less deep. One other thing that is particularly important in the Netherlands (as well as in other relatively strong welfare states) is that private exclusion is not necessarily met with public exclusion. Different levels of government actually pour large amounts of money into the neighborhoods excluded, or potentially excluded, which takes away part of the multiple forms of exclusion.

<Torrise, Giovanni> Okay. Stuart didn't signal his intention of replying, so I will pass the floor directly to Jun Wang.

<Wang, Jun> Dr Aalbers, Your book is very inspiring, I really enjoyed reading it as this is one of the few pieces of research I have read on the role of the financial sector.

Your study of redlining reminds me of Neil Smith's rent gap thesis, and his statement that gentrification is a strategy deployed by the state for weaving the global financial market with large and medium-sized real-estate developers, local merchants and property agents, with brand-name retailers. In your studies, do you find initiatives taken by other actors, like planning officials or developers, which may exacerbate the decline of some neighborhoods?

<Aalbers, Manuel> This is a good follow-up to the last question as I just mentioned Smith's rent gap thesis.

Firstly, I'm a big fan of Neil Smith's work, I'm actually his guest now at City University. In the US there are plenty of examples of such things happening and very often they happen out in the open and if they don't, they often become revealed at some point. In Italy, I'm not sure, also because it is hard to find neighborhoods that are redlined by ALL lenders. This is perhaps less of an issue. In the neighborhoods, I think there are subtle forms like this taking place where private actors indeed try to speed up the decline. I'm not so sure if the same can be said of public actors. One could make the argument that some urban renewal/revitalization policies try to do just this, but this argument is fraught with contradictions. But then again, contradictions are part of what happens in cities all the time! Here's an excerpt from my book (p. 174)

The Tarwewijk has not reached the stage of abandonment yet, because landlords can still make money by milking their property and because some owners (rightly) assume that a social housing association, a private developer or a city agency will try to acquire their property. This is also a form of speculation. In his rent gap thesis, Neil Smith (1996) suggests that some landlords first profit by milking their properties (downgrading) and then by upgrading them and cashing in on gentrification. Although this is not what happens in the Tarwewijk (the renewal is far from gentrification) these landlords equally garner a double reward: first, by milking the property, and, second, by selling at a higher price to a more "socially responsible" owner.

More recently, prices have risen in this “segment” of the market as a result of a new actor entering the market. A City agency is buying up properties in order to facilitate the renewal program of the area (in which, besides the City, one social housing association and two very large private developers participate). As a result, housing prices are on the rise again, and the rent gap is starting to be closed while capital is again being invested, instead of disinvested. Furthermore, the City Department of Construction and Housing Supervision is addressing landlords whose housing maintenance is below the legal threshold.

I could go on forever about the changes in this particular area, but for now, I'll leave it at this!

<Torrise, Giovanni> Venetia Chatzi continues our discussion about redlining, asking about the gentrification/redlining relation.

<Chatzi, Venetia> Thank you for the very interesting and clear writing on redlining. I would like to ask you if some of the 'redlined' neighborhoods included in your research, for example in Rotterdam, have today turned into gentrified areas. I mean this exclusionary process of redlining leading to devaluation of housing prices and disinvestment, doesn't it also increase the 'rent gap', so that redlining a second time, in the near future will give way to gentrification processes? Could you make some comments on the gentrification/redlining relation?

<Aalbers, Manuel> Again, a good follow-up to the last question and I think part of the question is already answered above.

Peter Willams, in the 1970s, has demonstrated how in London at that time redlining happened as a precursor to gentrification and how the rent gap thesis helps to explain this. The same could be argued for Lazzaretto in Milan. It was also difficult there to get a mortgage (although not impossible) and the area is now somewhat gentrified because of multiple processes of exclusion — individuals and landlords were able to buy up properties on the cheap and cash in on them some years later. The neighborhood is located just north of the center and has many esthetically pleasing buildings and this had some of the right qualities for the rent gap to close again and for some people to make a lot of money. Although Lazzaretto still has the image of an immigrant area due to the many meeting places for migrants as well as the many ethnic restaurants and take-outs, it is also considered a popular and expensive area to live. I've already discussed a Dutch case in answering the previous question and some of the analytical connections are in the concluding chapter.

<Torrise, Giovanni> Melanie Lombard introduces the social class factor into the discussion:

<Lombard, Melanie> Hi Professor Aalbers, thanks for your interesting and accessible work — I found your suggestion that we should account for the social contexts of markets, in terms of influences and outcomes, very helpful. You emphasized the overlap between race and place, and I wondered about class and place, which seems to be another key theme. Did redlining and social class factors overlap?

<Aalbers, Manuel> Again, a short answer first: yes they did! There are different ways to look at

this. The easiest, albeit somewhat reductive way, is to look at the income levels of redlined neighborhoods and compare them to non-redlined neighborhoods. There is a very strong correlation between income and redlining, just like there is a very strong correlation between ethnicity/race and redlining. Let me see if I can quickly find the quote (p. 188):

[R]edlined neighborhoods are neighborhoods with high shares of low-income households, unemployed, ethnic-minorities and non-natives — all these variables individually accurately predict about 80% of the cases. Variables related to the share and value of owner-occupied dwellings also accurately predict a smaller percentage of the cases. With the use of discriminant analysis I could demonstrate that the interaction of group related variables involving ethnicity or income, on the one hand, with housing related variables, on the other hand, accurately “predicts” 80 to 95% of the cases. In other words, socio-demographic characteristics together with housing market characteristics show what types of neighborhoods are redlined: in Rotterdam these are low-income, high-immigrant neighborhoods with a low share of owner-occupied units that also tend to be of low value.

In other words, it's not only hard to disentangle place and race, income is also so correlated to both race and place, that it is hard to look at 'independent influence'.

One could also argue that redlining contributes to class formation. Think of the earlier argument of the black homeowner who would see the value of her/his house increase less than a white homeowner with a similar education and income would. In other words: class matters beyond income and interacts with race.

There is a lot of literature, in particular from the UK, about the role of housing in class formation and one of the arguments is that the housing situation is not only the result of the class situation but actually gives rise to new class factions. The UK argument goes mostly into differences between renters and homeowners. Peter Saunders is a key reference here, although he's heavily criticized, among others by Alan Murie and Chris Hamnett, but the argument could easily be extended to compare different type of homeowners and in particular *where* they own a house. Redlining would then play a role in class formation and not only be the result of it.

<Torrise, Giovanni> Another question regarding ethnicity and racial differential with spatial mobility:

<BouAkar, Hiba> Thanks for this very interesting reading. I am curious about some parallels with the US conditions that produced ghettos which at least included practices of redlining and flight (white flight in particular). However, in the cases you are describing, if I understood correctly, the exclusions are also about place and race but the foremost reason for exclusion is place and income-based (maps and zip codes and not the ethnic or racial background of an applicant), which leads to the inability to move in or out (irrespective?) of race or ethnicity. If I understood correctly, with this difference in ethnic/racial differential spatial mobility, how can we theoretically rethink the notion of the ghetto through the exclusionary practices you are describing?

<Aalbers, Manuel> I need to think about this one for a minute. Redlining in its purest definition

is place-based, but it typically hits mostly non-whites. Redlining is one of the many mechanisms that plays a part in ghettoization, or neighborhood decline more generally speaking. I don't think we need to 'rethink' the notion of the ghetto so much because of redlining — in the US literature on ghettos, redlining practices are usually discussed as contributing to ghettoization. The Bronx quote that I think is included in the introductory chapter is an illustration of this. The ghetto, like redlining, is defined spatially/geographically but is, also like redlining, often identified racially.

I'm not sure what else to say ... I could say a lot about redlining and the ghetto, but as I said: in the literature and theories, redlining is already part of that debate. It is a process of exclusion, like ghettos are excluded in multiple other ways.

<Torrise, Giovanni> Now we have a question by Wouter Van Gent, which is strongly related to the discussion.

<Van Gent, Wouter> Hi Manuel. Congratulations again on your great book. It was a pleasure reading a few more chapters. As I was already familiar with your work, it was pretty clear to me. However, there was something I wanted to ask you. In your introduction (on p. 5) you speak of segregation. I understand that you prefer to use social exclusion. The thing is, in the chapters I've read so far, you don't go into how redlining and lending practices relate to segregation exactly. My question is do you see them sustaining existing socio-spatial patterns (in the sense of residential patterns) or also re-enforcing segregation processes? If so, do you think there are contextual differences between the US, Netherlands and Italy (and within these countries)?

<Torrise, Giovanni> Manuel, any further comment on that?

<Aalbers, Manuel> Yes... Chapter 1 of the book is devoted to the question of exclusion and goes into the segregation literature and their connections. Redlining can contribute to segregation in different contexts (although, as we have also seen, in particular places and under specific conditions it can also open and close the rent gap and contribute to gentrification, which in its early phases results in desegregation). Segregation is something described by *outcome*, while redlining is described as a *process*. This is how they are different, but also how they are related — many different processes and structures can contribute to segregation and redlining is one of them. At the same time, redlining is more likely to take place in segregated places, so redlining and segregation feed upon each other, or in Lefebvre's terms, they produce each other.

Now, the differences between the countries: sure they exist and the situation in the US is often more extreme, yet people know that in the US. One thing that strikes me in the segregation literature is that Americans are much more aware of segregation not being the outcome of 'natural' factors, but being produced by many institutions and mechanisms, including redlining. In most European research, segregation is largely discussed as a function of income and of 'choice'. 'Choice' is also not problematized much and is taken-for-granted while I think that the interaction of place, race, income and choice produces something far from neutral, 'constrained choice' at least, but very often simply 'lack of choice' or even pure 'constraint'. In that sense, Europe is not necessarily that different from the US. What is

different is how the housing market is organized, but the overarching difference here is not a cross-Atlantic divide. Yes, the US and the Netherlands are very different, but so are the Netherlands and Germany, or the UK and Italy. Different housing market structures produce different kinds of constrained choice. What is different in the US is the primacy of 'race'. It is almost impossible to see anything without looking through the 'race lens'. This can be frustrating and constraining, but at least the awareness of the importance of race in in/exclusion and access to resources is far greater than generally is the case in Europe. I could also go more into the question of what is 'neutral' or 'natural' about segregation, redlining and neighborhood decline, but let's not do that now. I go into that question in Chapter 2 of the book and in more detail in a paper I published in *Urban Studies* in 2006 (which I'm sure Wouter knows) ;)

<Van Gent, Wouter> On the first part, I would say segregation is also a process (which is always and continually taking place, produced by many), but I get your point. On the second, I am not sure if there is an Atlantic divide in understanding causes of segregation (it's probably a disciplinary/generational divide), but we'll discuss that later. The point about race, I think I've read that somewhere in *Cities* ;) Thanks.

<Aalbers, Manuel> Okay. Yes, segregation is also a process, but it is mostly researched as the outcome of the process. My point about the Atlantic divide is that it may not be the most important difference. That difference is there (the US is different), but other divides exist as well and I don't want to prioritize one over the other. Part of the argument of the book is that the difference is sometimes smaller than often assumed and that Europe is not necessarily that different and that 'American things' like redlining do take place in Europe as well. Although I like the idea of 'European cities', I have always been critical of framing them, by definition, as opposed to 'American cities'. The diversity within both groups can be larger than the differences between individual cities on both sides of the Atlantic.

<Torrise, Giovanni> Now another reading is presented by Christy Nwachi.

<Nwachi, Christy> I would say that this paper, amongst those I have read in a long time, is the most direct in its assessment of livability for urban dwellers. Congratulations Professor Aalbers! I have a question concerning a real-life situation in one of the developing countries. About 2.5% of all government workers' wages are diverted to a National Housing Fund which is the main source of revenue for the Apex mortgage institution. This was initiated by the government to accelerate homeownership for workers. Very few get any credit facility from this institution. Is this a form of redlining?

<Aalbers, Manuel> Which country is this? And who decides who gets credit and who doesn't? What are the conditions?

<Nwachi, Christy> Nigeria. The credit facilities are for all workers. No one really understands the criteria for selection.

<Aalbers, Manuel> My first reaction would be: there is probably some exclusion taking place here, but probably it isn't redlining, unless the Apex really excludes certain geographically defined areas. This is hard for me to say though, as I don't know the details. If the criteria are unknown, all kinds of exclusion can exist, possibly including redlining. It could be an interesting research project for you or your colleagues!

<Torrise, Giovanni> Sabina Uffer:

<Uffer, Sabina> Hi Manuel. Apologies for attending this meeting late, so I hope I don't repeat any previous question. If so, just ignore it, and I'll read the answer later. My question refers to the type of lender. I was wondering if you notice differences between different types of lenders with regard to their profit and investment strategies. Were some redlining/yellowlining more and why? You mention on p. 191 that they work differently in Italy and the Netherlands and you said that in Italy the differences were bigger. Could it also be related to the risk/profit strategies they were following?

<Aalbers, Manuel> Thanks, Sabina, good to see another familiar name in the classroom! This question has not been asked yet. As to many other questions, my short answer is: yes, indeed. Different types of lenders have different policies, but even lenders that seem quite similar may have different policies. There is a lot of 'noise' in making connections between the type of lender and their policies. One factor that matters is who makes the decisions. Is this done by a national office or by a local office (and how local)? Argenta, a Belgian lender active in the Netherlands, had very crude policies excluding entire cities, Abn-Amro at some point, had very fine-grained policies at the street or block level, etc. In Italy, the diversity is even greater, as lenders seem to watch each other's policies less than in the Netherlands (or the US).

Second, there is a difference between lenders who keep all or most of the loans on their books and lenders who re-sell their mortgage portfolio in the secondary market. And third, there may be local factors involved. For example, Rabobank, the biggest lender in the Netherlands, decided to give 'good' mortgages in a formerly redlined neighborhood as they struck a deal with the city government and two developers to upgrade the area. By the way, credit scoring also makes a difference, and is less used in Italy.

<Kazepov, Yuri> Thanks Manuel, I will take over from Giovanni for the last question...

<Aalbers, Manuel> Go ahead, Yuri.

<Kazepov, Yuri> Okay, next question from Christopher Herring...

<Herring, Christopher> I really enjoyed this work, particularly in thinking about the relationship between redlining and yellowlining. As your work examines, redlining was politicized (or unpoliticized) between your cases and I was wondering what your thoughts are on the politics of yellowlining in the midst of this crisis, both in general and between your countries. The discourses of predation and 'increased opportunity' are often wed in discussions of yellowlining, and are very different from the discourses of redlining that center on exclusion

and segregation here in the US.

<Aalbers, Manuel> There is a lot I could say about this. Early next year, the edited volume *Subprime Cities* will be published in the same book series. Originally subprime lending was often defined as something great, as a solution for redlining. The problem with subprime lending is that most of it is NOT designed to enable homeownership but to profit from poor people, those are two completely different things. That is one reason why I conceptualize subprime as a new form of yellowlining, rather than as the opposite of redlining. They are not that different in many ways, as I argue in the intro. Most people still think subprime loans were given to people who would otherwise have not been able to buy a house. The fact (and I don't use that word lightly) is that most subprime loans were given to people who could have applied for a prime ('normal') loan, as they were not very risky borrowers to start with. Secondly, a majority of subprime loans were not used to buy a house but to take out a second loan or, more likely, to re-finance. Thirdly, subprime loans were targeted at people of color and communities of color. Does this answer your question?

<Kazepov, Yuri> Christopher? Do you want to add something? Otherwise, dear Manuel, really thanks a lot for your exhaustive and interesting answers. I think it has been quite a dense and interesting chat. The topic is challenging in itself. Giovanni had to go for his lecture and greets you all. The next chat will take place on 13th December. It will be our last chat, We might have a debriefing meeting to have your suggestions and impressions.

<Aalbers, Manuel> You're welcome Yuri. I'd like to thank the students for their engaging questions. After 20 mins of questions I was wondering if I would be able to keep on typing for two hours, but after that time actually flew by!

<Kazepov, Yuri> Yes you lose the perception of time ... thanks a lot Manuel and thanks all of you for your interesting contributions. It's a pleasure to see such interesting questions ;-)
See you next time. Bye.

<Aalbers, Manuel> Ciao a tutti! Tot ziens!

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